

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE COMPLAINT OF JAMES N. DWYER	)	
AGAINST KENTUCKY-AMERICAN WATER	)	CASE NO. 8739
COMPANY	)	

O R D E R

PREFACE

A letter was received by this Commission on August 19, 1982, from Mr. James N. Dwyer, an owner of farm property located on the Huston-Antioch Road in Eastern Fayette County, Kentucky. One corner of Mr. Dwyer's property frontage is approximately 1,300 feet from the end of a 12-inch water main. The owner of this water main, the Kentucky-American Water Company ("Kentucky-American"), responded to a request for service from Mr. Dwyer, advising him on August 6, 1982, that his cost for this service would be \$18,298. <sup>1/</sup> The 2,800 feet of 8-inch water main proposed for construction by Kentucky-American included approximately 1,500 feet of Mr. Dwyer's property frontage of approximately 3,000 feet. Mr. Dwyer's August 19, 1982, letter questioned the purpose of the 1,500 feet of property frontage pipe and the 8-inch size of the pipe. The 2-inch pipe size proposed by Mr. Dwyer, however, would not satisfy this Commission's regulations on maximum lengths for small diameter pipe. <sup>2/</sup>

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<sup>1/</sup> This \$18,298 quotation was revised upward to \$20,833 at the January 14, 1983, hearing.

<sup>2/</sup> Section 11 of 807 KAR 5:066 limits dead-end lengths of 2-inch mains to a maximum of 250 feet.

A copy of Mr. Dwyer's letter was forwarded to Kentucky-American for comment. Its position in this matter was outlined in its August 26, 1982, letter from Mr. Ray Ruble, Operations Manager, which said in part:

[Kentucky-American's] Rule 25(h) ... <sup>3/</sup> states that the main shall be extended to fully cover the frontage of the property. Realizing that this is not always practical in rural areas, we have reduced this requirement to extending one-half the distance across the property with an easement across the remainder to be used if further extensions are required.

[Kentucky-American's] Rule 26(b)(1) ... <sup>4/</sup> states [that the] "Company shall have the exclusive right to determine the type, location and size of mains to be installed and of the related facilities required to render adequate service."

Even though we place a high priority on affording these residents in rural areas the opportunity to have water service, we feel that it is also our obligation to follow sound water works practices in order to provide adequate service to all existing and potential customers by keeping the mains large enough for further extensions. (Footnotes supplied.)

After reviewing Mr. Dwyer's letter and Kentucky-American's response, Commission staff members met with officials of Kentucky-American and made a brief on-site investigation of the location of the proposed main extension. Their recommendations were forwarded to Mr. Dwyer and Kentucky-American on September 20, 1982, by a letter from Claude G. Rhorer, Jr., Director of the Division of Utility Engineering and Services. These recommendations were that Mr. Dwyer should bear the cost of 3-inch or 4-inch pipe

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<sup>3/</sup> A reference and quotation from the official tariffs of the Kentucky-American Water Company.

<sup>4/</sup> Ibid.

construction for the approximate distance of 1,300 feet to the corner of his property and that Kentucky-American should bear the additional cost of construction, including the cost difference for pipe larger than 4-inch for the said 1,300 feet and the entire cost of the extension beyond this 1,300 feet.

Kentucky-American's letter of November 23, 1982, to Mr. Rhorer advised that the staff's recommendations were unacceptable and suggested that the matter be set for hearing.

A hearing was held in Frankfort, Kentucky, on January 14, 1983, and all parties of interest were given an opportunity to be heard.

#### COMMENTARY

The record <sup>5/</sup> shows that Mr. Dwyer is the only applicant for water service along Kentucky-American's route for a proposed 8-inch connector main to be located on Huston-Antioch Road from the railroad crossing south of Mr. Dwyer's property to an existing 8-inch main on the Paris-Bethlehem Road north of Mr. Dwyer's property. Five of the ten residents located between Mr. Dwyer's property and the Paris-Bethlehem Road investigated the possibility of obtaining service from the Paris-Bethlehem Road water main 2 or 3 years ago. At that time, the cost would have been about \$2,000 each, which the residents considered to be excessive. One of the remaining five residents, the D. B. Grigsbys, said they do not want water under any circumstances. The record includes statements from the other four that they do not want water

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<sup>5/</sup> The Transcript of the January 14, 1983, hearing and the Memorandum received February 3, 1983, from Mr. Dwyer.

on the same cost per foot basis as the Kentucky-American quotation for Mr. Dwyer's service, or even at one-half the quotation cost. There have been previous instances of water main extensions and other improvements to its rural water distribution system that were made by Kentucky-American on its own initiative and at its own expense.

The Commission is of the opinion that the water mains in rural areas should be as large as feasibly possible after the available financing and anticipated revenues are considered and found to provide adequate support for the costs of construction and operation. Kentucky-American's efforts to limit the construction of small diameter mains is commendable. There is, however, no justification for the construction of an 8-inch main to serve only the Dwyer property. The approximately 7,000 gallons of water that would be contained in the 2,800 feet of 8-inch pipe proposed for construction by Kentucky-American is greater than Mr. Dwyer's expected monthly usage. <sup>6/</sup> This means that water would remain in the pipe unused for long periods of time. This would make the water susceptible to becoming unsanitary through stagnation and loss of the required chlorine residual. This is a situation that should be avoided rather than deliberately constructed into a water system. The only basis for constructing an 8-inch main to the Dwyer property at this time would be as a part of the completion of a connecting main to the Paris-Bethlehem Road water

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<sup>6/</sup> Kentucky-American's Annual Report for 1981 shows the average usage of its residential customers to be about 6,100 gallons per month.

main for hydraulic strengthening of the water main network serving this area of Fayette County and adjacent Bourbon County.

OPINION AND ORDER

The Commission, after examining the evidence of record and being advised, finds that:

1. Kentucky-American's proposal to construct a dead-end water main 2,800 feet long and 8 inches in diameter in response to Mr. Dwyer's request for domestic water service is unreasonable. This construction would grossly exceed that which is required to provide the requested service.

2. The construction of a dead-end main for water service to the Dwyer property should terminate at the southeast corner of the property. Further, 4-inch pipe should be the maximum size of this main.

3. A 3-inch water main would be adequate for the anticipated usage of Dwyer and the property owners with road frontage along the new main to his property.

4. The other residents of the Huston-Antioch Road between the railroad crossing and the Paris-Bethlehem Road are not sufficiently interested in the construction of an 8-inch main to participate in the payment for its construction. The resources of Kentucky-American may be the only ones available for this construction.

5. Kentucky-American should enter into an agreement with Mr. Dwyer for the construction of a water main extension in accordance with finding number 2 herein. This agreement should include the provision of an easement by Mr. Dwyer for the con-

struction and maintenance of a water main across the road frontage of his property for the purpose of further extensions to this water main. Kentucky-American's standard refund agreement referred to as the "3-T" agreement should apply to this extension. Kentucky-American should proceed to complete this extension and should file monthly progress reports with this Commission until the work is completed.

IT IS THEREFORE ORDERED that a water main extension shall be made to the southeast corner of the Dwyer property on the Huston-Antioch Road by Kentucky-American in accordance with the findings made herein.

Done at Frankfort, Kentucky, this 14th day of March, 1983.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary